

House File 2464 - Introduced

HOUSE FILE 2464

BY COMMITTEE ON APPROPRIATIONS

(SUCCESSOR TO HF 2381)

(SUCCESSOR TO HSB 638)

A BILL FOR

1 An Act eliminating allocations from the statutory allocations
2 fund to the Iowa comprehensive petroleum underground storage
3 tank fund and the renewable fuel infrastructure fund, making
4 related changes, including changes related to the repeal of
5 the environmental protection charge on petroleum diminution,
6 and including effective date provisions.
7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

DIVISION I

UNDERGROUND STORAGE TANK FUND ALLOCATIONS

1
2
3 Section 1. Section 321.145, subsection 2, paragraph a, Code
4 2016, is amended to read as follows:

5 ~~a. Moneys shall be deposited into and credited to the~~
6 ~~following funds:~~

7 ~~(1) First, three million five hundred thousand dollars~~
8 ~~per quarter shall be deposited into and credited to the Iowa~~
9 ~~comprehensive petroleum underground storage tank fund created~~
10 ~~in [section 455G.3](#), and the moneys so deposited are a continuing~~
11 ~~appropriation for expenditure under [chapter 455G](#), and moneys so~~
12 ~~appropriated shall not be used for other purposes.~~

13 ~~(2) Second, seven Seven hundred fifty thousand dollars per~~
14 ~~quarter shall be deposited into and credited to the renewable~~
15 ~~fuel infrastructure fund created in [section 159A.16](#), and~~
16 ~~the moneys so deposited are a continuing appropriation for~~
17 ~~expenditure under [chapter 159A, subchapter III](#), and moneys so~~
18 ~~appropriated shall not be used for other purposes.~~

19 Sec. 2. Section 455B.302, unnumbered paragraph 3, Code
20 2016, is amended to read as follows:

21 A city or county which provides closure or postclosure care
22 on the premises of a sanitary landfill owned by a private
23 agency, shall have a lien upon the property to secure payment
24 for the amount of materials and labor expended by the city or
25 county to perform the required closure or postclosure care on
26 the premises. The lien shall be recordable and collectable
27 in the same manner as provided in [section 424.11](#), Code 2016.
28 The lien shall attach at the time the city or county incurs
29 expenses to provide closure or postclosure care on the premises
30 of the sanitary landfill. The lien shall be valid as against
31 subsequent mortgagees, purchasers, or judgment creditors,
32 for value and without notice of the lien, only upon filing a
33 notice of the lien with the recorder of the county in which the
34 property is located. Upon payment, the city or county shall
35 release the lien. If no lien has been recorded at the time

1 the property is sold or transferred, the property shall not be
2 subject to a lien or claim for any closure or postclosure costs
3 incurred by the city or county.

4 Sec. 3. Section 455B.392, subsection 7, paragraph d, Code
5 2016, is amended to read as follows:

6 d. Cleanup expenses incurred by the state or a political
7 subdivision shall be a lien upon the real estate constituting
8 the hazardous condition site, recordable and collectable in
9 the same manner as provided for in [section 424.11](#), Code 2016,
10 subject to the terms of [this subsection](#). The lien shall
11 attach at the time the state or a political subdivision incurs
12 expenses to clean up the hazardous condition site. The lien
13 shall be valid as against subsequent mortgagees, purchasers,
14 or judgment creditors, for value and without notice of the
15 lien, only when a notice of the lien is filed with the recorder
16 of the county in which the property is located. Upon payment
17 by the person to the state or a political subdivision, of
18 the amount specified in [this subsection](#), the state or a
19 political subdivision shall release the lien. If no lien has
20 been recorded at the time the person sells or transfers the
21 property, then the person shall not be liable for any cleanup
22 costs incurred by the state or a political subdivision.

23 Sec. 4. Section 455G.1, subsection 2, unnumbered paragraph
24 1, Code 2016, is amended to read as follows:

25 This subchapter applies to petroleum underground storage
26 tanks for which an owner or operator is required to maintain
27 proof of financial responsibility under federal or state law,
28 from the effective date of the regulation of the federal
29 environmental protection agency governing that tank, and not
30 from the effective compliance date, unless the effective
31 compliance date of the regulation is the effective date of the
32 regulation. An owner or operator of a petroleum underground
33 storage tank required by federal or state law to maintain proof
34 of financial responsibility for that underground storage tank
35 is subject to [this subchapter](#) and ~~chapter 424~~.

1 Sec. 5. Section 455G.3, subsection 1, Code 2016, is amended
2 to read as follows:

3 1. The Iowa comprehensive petroleum underground storage
4 tank fund is created as a separate fund in the state treasury,
5 and any funds remaining in the fund at the end of each fiscal
6 year shall not revert to the general fund but shall remain
7 in the Iowa comprehensive petroleum underground storage tank
8 fund. Interest or other income earned by the fund shall be
9 deposited in the fund. The fund shall include moneys credited
10 to the fund under [this section](#), section 321.145, subsection
11 2, paragraph "a", [Code 2016](#), and [sections 455G.8](#) and [455G.9](#),
12 and [section 455G.11, Code 2003](#), and other funds which by
13 law may be credited to the fund. The moneys in the fund are
14 appropriated to and for the purposes of the board as provided
15 in [this subchapter](#). Amounts in the fund shall not be subject
16 to appropriation for any other purpose by the general assembly,
17 but shall be used only for the purposes set forth in this
18 subchapter. The treasurer of state shall act as custodian
19 of the fund and disburse amounts contained in it as directed
20 by the board including automatic disbursements of funds as
21 received pursuant to the terms of bond indentures and documents
22 and security provisions to trustees and custodians. The
23 treasurer of state is authorized to invest the funds deposited
24 in the fund at the direction of the board and subject to any
25 limitations contained in any applicable bond proceedings. The
26 income from such investment shall be credited to and deposited
27 in the fund. The fund shall be administered by the board which
28 shall make expenditures from the fund consistent with the
29 purposes of the programs set out in [this subchapter](#) without
30 further appropriation. The fund may be divided into different
31 accounts with different depositories as determined by the board
32 and to fulfill the purposes of [this subchapter](#).

33 Sec. 6. Section 455G.3, subsection 5, Code 2016, is amended
34 by striking the subsection.

35 Sec. 7. Section 455G.4, subsection 3, paragraph b, Code

1 2016, is amended by striking the paragraph.

2 Sec. 8. Section 455G.5, unnumbered paragraphs 2 and 3, Code
3 2016, are amended to read as follows:

4 The board may enter into a contract or an agreement
5 authorized under [chapter 28E](#) with a private agency or person,
6 the department of natural resources, the Iowa finance
7 authority, the department of administrative services, the
8 department of revenue, other departments, agencies, or
9 governmental subdivisions of this state, another state, or
10 the United States, in connection with its administration and
11 implementation of [this subchapter](#) or chapter ~~424~~ or [455B](#).

12 The board may reimburse a contractor, public or private,
13 retained pursuant to [this section](#) for expenses incurred in the
14 execution of a contract or agreement. Reimbursable expenses
15 include, by way of example, but not exclusion, the costs of
16 ~~collecting the environmental protection charge or administering~~
17 specific delegated duties or powers of the board.

18 Sec. 9. Section 455G.6, subsection 4, Code 2016, is amended
19 to read as follows:

20 4. Grant a mortgage, lien, pledge, assignment, or other
21 encumbrance on one or more improvements, revenues, asset of
22 right, accounts, or funds established or received in connection
23 with the fund, including revenues derived from the moneys
24 credited under [section 321.145, subsection 2](#), paragraph "a",
25 Code 2016, and deposited in the fund or an account of the fund.

26 Sec. 10. Section 455G.8, subsection 2, Code 2016, is amended
27 to read as follows:

28 2. *Statutory allocations fund.* The moneys credited from the
29 statutory allocations fund under [section 321.145, subsection](#)
30 [2, paragraph "a"](#), Code 2016, shall be allocated, consistent
31 with [this subchapter](#), among the fund's accounts, for debt
32 service and other fund expenses, according to the fund budget,
33 resolution, trust agreement, or other instrument prepared or
34 entered into by the board or treasurer of state under direction
35 of the board.

1 Sec. 11. Section 455G.9, subsection 5, paragraph a, Code
2 2016, is amended to read as follows:

3 a. If an owner or operator ceases to own or operate a tank
4 site for which remedial account benefits were received within
5 ten years of the receipt of any account benefit and sells or
6 transfers a property interest in the tank site for an amount
7 which exceeds one hundred twenty percent of the precorrective
8 action value, adjusted for equipment and capital improvements,
9 the owner or operator shall refund to the remedial account
10 an amount equal to ninety percent of the amount in excess of
11 one hundred twenty percent of the precorrective action value
12 up to a maximum of the expenses incurred by the remedial
13 account associated with the tank site plus interest, equal
14 to the interest for the most recent twelve-month period for
15 the most recent bond issue for the fund, on the expenses
16 incurred, compounded annually. An owner or operator under this
17 subsection shall notify the board of the sale or transfer of
18 the property interest in the tank site. Expenses incurred
19 by the fund are a lien upon the property recordable and
20 collectible in the same manner as the lien provided for in
21 section 424.11, Code 2016, at the time of sale or transfer,
22 subject to the terms of [this section](#).

23 Sec. 12. Section 455G.9, subsections 7 and 10, Code 2016,
24 are amended to read as follows:

25 7. *Expenses of cleanup not required.* When an owner or
26 operator who is eligible for benefits under [this subchapter](#)
27 is allowed by the department of natural resources to monitor
28 in place, the expenses incurred for cleanup beyond the level
29 required by the department of natural resources may be covered
30 under any of the accounts established under the fund only
31 if approved by the board as cost-effective relative to the
32 department accepted monitoring plan or relative to the repeal
33 date specified in [section 424.19, Code 2016](#). The cleanup
34 expenses incurred for work completed beyond what is required
35 is the responsibility of the person contracting for the excess

1 cleanup. The board shall seek to terminate the responsible
2 party's environmental liabilities at such sites prior to the
3 board ceasing operation.

4 10. *Expenses incurred by governmental subdivisions and public*
5 *works utilities.* The board shall adopt rules for reimbursement
6 for reasonable expenses incurred by a governmental
7 subdivision or public works utility for sampling, treating,
8 handling, or disposing, as required by the department, of
9 petroleum-contaminated soil and groundwater encountered in a
10 public right-of-way during installation, maintenance, or repair
11 of a utility or public improvement. The board may seek full
12 recovery from a responsible party liable for the release for
13 such expenses and for all other costs and reasonable attorney
14 fees and costs of litigation for which moneys are expended by
15 the fund. Any expense described in [this subsection](#) incurred
16 by the fund constitutes a lien upon the property from which
17 the release occurred. A lien shall be recorded and an expense
18 shall be collected in the same manner as provided in section
19 [424.11, Code 2016](#).

20 Sec. 13. Section 455G.13, subsection 5, Code 2016, is
21 amended to read as follows:

22 5. *Lien on tank site.* Any amount for which an owner or
23 operator is liable to the fund, if not paid when due, by
24 statute, rule, or contract, or determination of liability by
25 the board or department of natural resources after hearing,
26 shall constitute a lien upon the real property where the tank,
27 which was the subject of corrective action, is situated, and
28 the liability shall be collected in the same manner as the
29 environmental protection charge pursuant to [section 424.11,](#)
30 [Code 2016](#).

31 Sec. 14. EFFECTIVE DATE. This division of this Act takes
32 effect December 31, 2016.

33 DIVISION II

34 ENVIRONMENTAL PROTECTION CHARGE ON PETROLEUM DIMINUTION REPEAL

35 Sec. 15. Section 424.19, Code 2016, is amended to read as

1 follows:

2 **424.19 Future repeal.**

3 This chapter is repealed effective ~~June 30~~ December 31,
4 2016.

5 Sec. 16. EFFECTIVE UPON ENACTMENT. This division of this
6 Act, being deemed of immediate importance, takes effect upon
7 enactment.

8 DIVISION III

9 RENEWABLE FUEL INFRASTRUCTURE FUND ALLOCATION REPEAL

10 Sec. 17. Section 321.145, subsection 2, paragraph a, Code
11 2016, as amended by division I of this Act, is amended by
12 striking the paragraph.

13 Sec. 18. Section 321.145, subsection 2, paragraph b, Code
14 2016, is amended to read as follows:

15 ~~b. Moneys remaining after the operation of paragraph "a"~~
16 shall be credited in order of priority as follows:

17 (1) An amount equal to four percent of the revenue from the
18 operation of [section 321.105A, subsection 2](#), shall be credited
19 to the department, to be used for purposes of public transit
20 assistance under [chapter 324A](#).

21 (2) An amount equal to two dollars per year of license
22 validity for each issued or renewed driver's license which is
23 valid for the operation of a motorcycle shall be credited to
24 the motorcycle rider education fund established under section
25 321.179.

26 (3) The amounts required to be transferred pursuant to
27 section 321.34 from revenues available under [this subsection](#)
28 shall be transferred and credited as provided in section
29 321.34, subsections 7, 10, 10A, 11, 11A, 11B, 13, 16, 17,
30 18, 19, 20, 20A, 20B, 20C, 21, 22, 23, 24, 25, and 26 for the
31 various purposes specified in those subsections.

32 Sec. 19. EFFECTIVE DATE. This division of this Act takes
33 effect June 30, 2017.

34 EXPLANATION

35 The inclusion of this explanation does not constitute agreement with

1 the explanation's substance by the members of the general assembly.

2 This bill extends the environmental protection charge on
3 petroleum diminution, currently set to expire on June 30, 2016,
4 until December 31, 2016. The bill eliminates the allocation
5 from the statutory allocations fund to the Iowa comprehensive
6 petroleum underground storage tank fund effective December 31,
7 2016. The bill eliminates the allocation from the statutory
8 allocations fund to the renewable fuel infrastructure fund
9 effective June 30, 2017. The bill makes conforming changes
10 throughout the Code to reflect the changes implemented by the
11 bill.